

Washington, D.C. – Rep. Charlie Wilson (OH-6) today responded to the housing crisis that to date has been the root cause of the current recession. Wilson backed key legislation that will help improve home values and assist Americans who are struggling with the housing and credit crises and in danger of losing their homes. The American Housing Rescue and Foreclosure Prevention Act of 2008 (H.R. 3221), and the Neighborhood Stabilization Act of 2008 (H.R. 5818) both passed the House today with bipartisan support.

“As a Member [of Congress] from Ohio – one of the states hit hardest by foreclosures – I know how important it is for us to pass this bill,” Wilson said during a speech he delivered on the floor of the House during debate on H.R. 5818.

The Neighborhood Stabilization Act of 2008, would provide \$15 billion in loans and grants to states to acquire vacant, foreclosed homes. The legislation would allow local communities to rehabilitate foreclosed properties, which currently drive down surrounding home properties, and place these homes back on the market.

The housing crisis has had a significant impact in Ohio. The Pew Center on the States estimates that one in 37 Ohio homeowners is projected to lose their homes to foreclosure over the next two years.

“This pain isn’t limited to the families losing their homes. Foreclosed and vacant homes bring down the value of everyone’s property,” Wilson continued in his floor speech.

Pew estimates that 36% of all Ohio homeowners will feel the ripple effects of the housing crisis. The crisis could also cost state and local tax base \$2.85 billion.

“These are truly scary numbers,” Wilson said. “H.R. 5818 will help Ohio and America begin to heal.”

H.R. 5818 includes two amendments successfully offered in the House Financial Services Committee by Rep. Wilson. Wilson serves on the Financial Services Committee. Wilson’s first amendment would allow states, if approved by HUD, the flexibility to demolish unfit properties if there is a high vacancy rate and a population decline in the area.

Wilson's second amendment, offered in conjunction with two other Ohio Representatives, Rep. Steve LaTourette (OH-14) and Rep. Deborah Pryce (OH-15), would direct more funding to the states that need it the most. Without the amendment the bill would have given a disproportionate amount of the federal allotment to California alone because the median home price in California is higher. Wilson, LaTourette and Pryce argued that Ohio has been hit equally hard by the foreclosure crisis but because Ohio's median home price is much less than California's, Ohio would have received much less federal help.

"My amendment makes sure Ohio gets its fair share of the federal loan and grant money," Wilson said. According to Congressional Research Service estimates, Ohio would receive approximately \$832 million in loans and grants.

The House also passed the American Housing Rescue and Foreclosure Prevention Act of 2008 which will provide mortgage refinancing assistance, help keep families from losing their homes and protect neighboring home values. The plan also expands programs run by the Federal Housing Administration (FHA) that will allow borrowers in danger of losing their home to refinance into lower-cost government-insured mortgages they can afford to repay.

The plan is not a bailout and requires both homeowners and lenders to take responsibility. In order to qualify for refinancing and a new government backed mortgages, lenders and mortgage investors will be required to take a loss and borrowers must share any profit from the resale of a refinanced home with the government. Additionally, the new plan is open only to owner-occupied homes. Speculators, investors and vacation/second-home owners are not eligible.

"This is no time to stand by and do nothing as the housing crisis depresses our economy," Wilson said. "Every taxpayer in America pays when there are large numbers of foreclosures. They pay with higher crime, declines in home values, the impact on school districts. Cities and states run deficits. I'm proud Congress has taken such proactive steps to help with the foreclosure crisis."

The bills must now pass the Senate.